

AUTHORIZING THE SECRETARY OF THE INTERIOR TO SELL CERTAIN RIGHTS IN THE STATE OF FLORIDA

FEBRUARY 6, 1974.—Committed to the Committee of the Whole House on the
State of the Union and ordered to be printed

MR. HALEY, from the Committee on Interior and Insular Affairs,
submitted the following

REPORT

[To accompany H.R. 377]

The Committee on Interior and Insular Affairs, to whom was referred the bill (H.R. 377) to authorize the Secretary of the Interior to sell certain rights in the State of Florida, having considered the same, report favorably thereon with amendments and recommend that the bill as amended to pass:

The amendments are as follows:

Page 1, lines 6 and , strike out "west half" and insert in lieu thereof "northwest quarter".

Page 2, lines 1 and 2, strike out "the deposit shall constitute full satisfaction of administrative costs notwithstanding that" and insert in lieu thereof "and".

Page 2, line 3, after "deposit," insert "the Secretary shall bill the applicant for the outstanding amount".

PURPOSE

The purpose of H.R. 377, introduced by Mr. Chappell, is to authorize the Secretary of the Interior to convey to the surface owner mineral rights held by the United States in certain lands in the State of Florida.

EXPLANATION AND NEED

H.R. 377 directs the Secretary of the Interior to convey to the record owner of the surface all right, title, and interests in minerals reserved to the United States in certain land in Marion County, Fla. It directs the Secretary to require a deposit of money which he deems sufficient to cover the estimated administrative costs of the conveyance. If a conveyance is not made and the administrative costs exceed the deposit, the Secretary is directed to bill the applicant for the outstand-

ing amount; however, if the costs are less than the deposit, the Secretary is directed to refund the excess.

An application for conveyance must be filed within 6 months of the date of approval of the bill. Payment of administrative costs and the fair market value of the interests to be conveyed must be made within the time specified by the Secretary. The money received for administrative costs shall be paid to the agency which rendered the service, and the money received for the mineral interests shall be paid into the general fund of the Treasury.

The bill covers land patented on December 22, 1926. The patent reserved to the United States all phosphate plus the right to prospect for, mine, and remove the same. The land is in phosphate reserve No. 14, Florida No. 4, approved August 17, 1912, and overlies the Hawthorne Formation which is known to contain phosphate.

The land involved is owned by Silver Springs Shores, Inc., which plans to develop the parcel as a mobile home park. The release of the mineral interests is necessary to obtain financing for the project.

COMMITTEE AMENDMENTS

The committee amendments convert the bill to the form customarily used in this type of legislation and eliminates certain land owned by the Florida Canal Authority from inclusion in the bill.

Open public hearings were held on the bill on November 5, 1973, and no opposition to the bill was heard.

At the hearing, the witness for the Department of the Interior testified that the Department would have no objection to passage of the bill if amended to provide for the payment of the administrative costs, plus the fair market value of the mineral, if any. Those amendments were made by the committee.

COST

No additional Federal expenditures are involved in the enactment of H.R. 377.

COMMITTEE RECOMMENDATION

The Committee on Interior and Insular Affairs recommends enactment of H.R. 377. The bill was unanimously ordered reported by a voice vote.

DEPARTMENTAL REPORTS

The favorable report of the Department of the Interior follows:

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., November 2, 1973.

HON. JAMES A. HALEY,
Chairman, Committee on Interior and Insular Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your request for the views of this Department on H.R. 377, a bill "To authorize the Secretary of the Interior to sell certain rights in the State of Florida."

We have no objection to the enactment of the bill if amended as suggested below.

H.R. 377 directs the Secretary of the Interior to convey to the record owner of the surface all right, title, and interest in minerals reserved to the United States in certain land in Marion County, Fla. It directs the Secretary to require a deposit of money which he deems sufficient to cover the estimated administrative costs of the conveyance. The deposit would constitute full payment if a conveyance is not made, notwithstanding that the costs may exceed the deposit. However, if the costs are less than the deposit, the Secretary is directed to refund the excess. The conveyance would be made only if an application for conveyance is filed with the Secretary within 6 months of the date of approval of the bill and only upon payment of administrative costs and the fair market value of the interests to be conveyed. The money received for administrative costs would be paid to the agency which rendered the service, and the money received for the mineral interests would be paid to the Treasury.

The bill covers land patented on December 22, 1926. The patent reserved to the United States all phosphate plus the right to prospect for, mine, and remove the same. The land is in phosphate reserve No. 14, Florida No. 4, approved August 17, 1912, and overlies the Hawthorne Formation which is known to contain phosphate in some places.

The sponsor of the bill has informed us that the subject property presently consists of two parcels. One parcel is owned by Silver Springs Shores, Inc., which plans to develop the parcel as a mobile home park. The release of the mineral interests is necessary to obtain financing for the project. The other parcel is owned by the Florida Canal Authority and is used as part of the Florida State Barge Canal. We are not aware of why a release of the mineral interests in this parcel is being sought.

This Department has adopted a policy of not objecting to a release of mineral interests reserved to the United States when the subject lands are not valuable for the minerals reserved or the reservation would interfere with or preclude more beneficial development of the land than mineral development. The parcel owned by the Silver Springs Shores, Inc., appears to meet the latter criterion, and we therefore have no objection to a release of the mineral interests in that land. However, it does not appear that the parcel owned by the Florida Canal Authority meets either criterion. The construction of the canal has been suspended. We therefore recommend that the canal parcel be deleted from the land description in section 1 of the bill.

As a policy, this Department recommends that legislation conveying mineral interests contain standard provisions so that all beneficiaries are treated alike, and so that the public interest will be protected by the assurance of payment of administrative costs and fair market value. H.R. 377 contains this standard language except for section 2. That section releases the beneficiaries from payment of any administrative costs in excess of the sum deposited if a conveyance is not made. If this section is not amended, the deposit of a larger sum than is ordinarily required would be necessary in the event administrative costs are high. Administrative costs include the costs of conducting tests to determine whether phosphate deposits are present in the land and to determine the value of any deposits. Before testing, administrative costs cannot be estimated accurately because if deposits are found, the additional costs of determining their value can

be substantial. For the convenience of the surface owners, we therefore recommend that the section be amended by changing lines 1-3 on page 2 to read as follows:

"pursuant to this Act, and the administrative costs exceed the deposit, the Secretary shall bill the applicant for the outstanding amount, but if the amount"

The bill would then conform with the standard provisions recommended by the Department.

As you and your committee are aware, this bill is one of many that is introduced in every Congress to convey reserved mineral interests. This method of authorizing these conveyances is both cumbersome and costly. Section 206 of the administration's proposed "National Resource Lands Management Act of 1973" (H.R. 5441) would authorize the Secretary of the Interior to make these conveyances for fair market value in accordance with the conditions and criteria described above. We urge prompt enactment of H.R. 5441 to authorize this and other improved methods of managing the public lands and Federal interests in lands.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely yours,

JAMES T. CLARK,
Assistant Secretary of the Interior.